

March 2, 2023

COMMISSIONERS:

Chair Jim O'Connor
Nick Myers
Lea Marquez Peterson
Anna Tovar
Kevin Thompson

Re: **Docket Number #E-00000A-22-0103:** In the Matter of Establishing a Commission Policy for the Development and Integration of Competitive Community Solar and Community Energy Storage Projects in Arizona

Dear Arizona Corporation Commissioners:

The Arizona Technology Council, premier trade association for nearly 750 science and technology companies of all sizes across the state, appreciates the opportunity to provide comments regarding Docket No. E-00000A-22-0103, in the matter of establishing a commission policy for the development and integration of competitive community solar and community energy storage projects in Arizona. This is scheduled to appear on the Commission's open meeting agenda for Tuesday, March 7, 2023.

On behalf of its member organizations, the Council believes at a high level that the recommendations by the Arizona Corporation Commission Staff, from here on out referred to as "Staff", are not workable and no actual community solar projects that deliver savings to customers could be built. In greater detail:

- Participation in a statewide community solar program should be required for regulated utilities. Staff is recommending participation be optional. Utilities are already free to voluntarily propose community solar programs and have not yet done so.
- Staff recommends that bill credits corresponding to energy produced by community solar projects should be valued "at the lowest possible cost for the resource, not to exceed avoided cost." Using avoided cost for utility-scale resources for distributed community solar projects would result in the lowest bill credit value of any program in the country. It would also make a program that provides bill savings to low-income customers impossible. The Commission already directed that the bill credits should be determined in a different proceeding, not this one.
- Staff's recommendations exclude residential customers who are not low and moderate income from participation. There are many residential customers who are not considered low and moderate income but still cannot install solar, and they should be able to participate.
- Staff recommends using a Request for Proposals (RFP) process to select community solar projects. Most community solar programs are structured to create a marketplace where utilities and third-party companies can compete to develop projects, rather than using an RFP. States that do use an RFP do not select projects based solely on cost, they evaluate projects based on factors like community benefits or ability to serve more low-income customers.
- Staff recommends utilities be allowed to curtail community solar projects. If projects are curtailed (without providing appropriate compensation for agreeing to allow curtailment), participating customers will have volatile savings and project developers will not have enough certainty to obtain financing.

In sum, the Council recommends that the Commission re-evaluates Staff's recommendations in order to build community solar projects that deliver actual savings to customers. We are on standby to answer any questions you may have.

Thank you for your consideration.

Sincerely,



Steven G. Zylstra
President & CEO
Arizona Technology Council & SciTech Institute